

Transparency and the Rule of Law in Latin America

Testimony by
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Department of State Mission Statement

Create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.

INL Mission Statement

Blunt the impact of international drug traffickers and other crime groups on the United States, American citizens, and U.S. friends and allies.

United States House of Representatives' Committee on International
Relations - Subcommittee on the Western Hemisphere
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Drug and Other Crime Threats to International Security

Chairman Burton, Congressman Menendez, and other distinguished Members of the Subcommittee, the Department of State appreciates this invitation to discuss one of the pillars of its foreign policy in the Americas – promoting democracy and the rule of law. The Department's Mission Statement, in fact, calls on us to:

“create a more secure, democratic, and prosperous world for the benefit of the American people and the international community.”

The Bureau of International Narcotics and Law Enforcement Affairs (INL) is the State Department Bureau principally responsible for policy development and foreign assistance in the area of criminal justice, the key sector of any society that keeps “security” and “democracy” in balance. However, it is important to stress here that INL is only one of many players at the Department involved in rule of law and security issues. Likewise, these are key preoccupations for all of our embassies in the Americas.

I would like to mention in particular the very energetic efforts by Assistant Secretary Roger Noriega and the Bureau for Western Hemisphere Affairs (WHA) to promote rule of law, principles of anti-corruption, and a strong hemispheric approach to fighting narcotrafficking. WHA helps provide overall foreign policy direction for the region, and justice and security rank high in its foreign policy priorities. Also, WHA oversees the use of Economic Support Funds (ESF) for justice development and anti-corruption projects in the Americas. The U.S. Agency for International Development (USAID) and INL -- the primary program implementers for this ESF funding -- maintain close and effective coordination to ensure complementarities among our policies and programs and to avoid duplication.

The key thrusts of INL's hemispheric strategy is to work with our U.S. agency and international partners to:

- ***Disrupt overseas production and trafficking of illicit drugs through counter-drug and anti-crime assistance and coordination with foreign nations and international organizations.*** This includes striking directly at trafficking organizations by disrupting their operations, arresting and imprisoning their leaders, and seizing their assets while destroying illegal drugs at the source. We seek to blunt the impact of transnational crime on the United States by working with foreign governments, inter-governmental groups (e.g., G-8) and with international organizations (e.g., the United Nations and the Organization of American States) to set international standards, close off safe-havens to criminal groups, pool skills and resources, and improve cross-border cooperation.
- ***Establish economically viable alternatives to illegal drug production and improve quality of life.*** The enforcement and disruption efforts cannot succeed without the essential complement of helping to wean growers away from drug farming through alternative livelihoods.
- ***Facilitate the establishment of stable criminal justice systems to strengthen international law enforcement and judicial effectiveness while respecting human rights, bolster cooperation in legal affairs and societal support for the rule of law.*** Much of our work is aimed at helping partner governments to identify, investigate, and successfully prosecute criminals and criminal organizations. In addition to promoting “top-down” reform, we are also supporting grassroots-level initiatives to promote a “culture of lawfulness.”

This last goal - the focus of today’s discussion - is the necessary foundation for achieving success toward the first two.

Overview – Law Enforcement Trends

The United States has long recognized that illicit drug trafficking and other forms of transnational organized crime pose serious threats to the security of the United States, as well as the security and stability of other countries or regions. Following September 11, 2001, international drug and crime threats began to be viewed in the context of broader security interests, including terrorism, as well as in relation to social, political and economic development.

Transnational criminal enterprises remain active in a wide range of activities that threaten US interests and US security - document forgery, alien smuggling, global firearms trafficking, money laundering, financial fraud and counterfeiting, high tech and computer crimes, many of which are also linked to terrorism facilitators.

Corruption is a threat to national security as it facilitates crime and terrorism, and undermines economic and democratic development. Drug trafficking and other forms of organized crime exploit weaknesses in criminal justice institutions in ways that undermine our interests and those of our partner nations. Police, being on the front line, are most vulnerable, but we have seen the same exploitation of prosecutors, judges, the military and even legislators – and in the private sector among bankers, lawyers, journalists and others. In recognition of the need to confront these international crime challenges in an integrated manner, the Foreign Assistance Act was amended in 1986 to add anti-crime authorities, beyond the existing authorities to fight international narcotics crimes.

Our predecessor office – the Bureau of International Narcotics Matters (INM) accomplished much in terms of mobilizing the Western Hemisphere to combat drug production and trafficking, but focusing solely on narcotics hindered us in addressing many of the deep-seated institutional problems that kept partner nation police forces from being effective in combating crime in all of its forms, including drug trafficking.

The “INM-to-INL” transformation involved an expansion of our topical interests to include financial crime and terrorist financing, arms trafficking, alien smuggling, cyber crime, and intellectual property rights theft. The change also included a reassessment of our whole approach to programs and training. More fundamentally, it also required us to do a reassessment of our longer-term interests. Those interests clearly indicated a need to concentrate on building capable institutions to complement near-term operations-driven programming. We also recognized the need for increased public engagement in improved law enforcement, anti-corruption and rule of law as a basis of democracy and as a deterrent to terrorism. Finally, the increasingly transnational nature of the problem militated in favor of multilateral engagement – regionally and internationally.

Under this expanded mandate, and with significantly increased funding approved by the U.S. Congress,¹ our programs began to achieve a balance between near-term operational support and longer-term institution-building, as well as emphasizing so-called “soft side” sustainable alternative development, crime prevention and education, and drug abuse prevention and treatment programs. INL now supports a comprehensive range of bilateral, regional, and global assistance programs that foster cooperation among states and build up their law enforcement and justice capacities.

Improving the professionalism of law enforcement and justice institutions is a key element in promoting economic, democratic and social development. Moreover, progress in those areas is critical to cleaning up the environments from which criminality, terrorism or other security challenges may arise.

Understanding the interplay between security and development is especially important regarding countries emerging from instability.

President Bush said in his foreword to the *National Security Strategy of the United States* that:

“The events of September 11, 2001 taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states. ... **Poverty, weak institutions, and corruption** can make weak states vulnerable to terrorist networks and drug cartels within their borders.”

Foreign investment is critical to economic growth and job creation. However, investors are not going to invest in areas plagued by crime and violence, or in areas where they cannot count on the (civil) justice system to function adequately to protect their business interests, patents and contract matters and so forth. The lower the integrity and capacity of the criminal justice system writ large, the lower the investment, and the lower job creation, which, in turn, can push the desperately poor or the frustrated

¹ The U.S. Congress has approved an increase in funding from \$304M in FY 2000 to \$1.051B in 2005; INL also manages another \$1.817B from other accounts, such as for Iraq, Afghanistan, and other special programs.

young in the direction of criminal activity. We see this in continued widespread *campesino* involvement in drug crop cultivation in South America and Mexico and, as we are seeing now in Central America in particular, the rapid expansion of urban youth into street gangs.

USAID has similarly also broadened its longstanding programs for foreign law enforcement since 9/11 in the context of improving governance, including for countries which may be vulnerable to exploitation by terrorists. Administrator Franco will address this in his statement.

INL remains unswervingly committed to its core missions of protecting the United States from illicit drug production and trafficking as well as other transnational crime. Every country in this Hemisphere is threatened by international drug trafficking organizations. Corruption and intimidation fueled by drug organizations' substantial resources are subverting democratic institutions and the rule of law, undermining stability, distorting economic development, and even -- in some cases -- supporting terrorism. While this is more obvious in producing countries like Colombia or Peru, it also takes the form of an "opportunistic virus" in the "transit countries" in Mexico, Central America and the Caribbean -- seeking to operate where justice sectors are vulnerable.

In response, INL has begun work on a transit zone strategy to address threats in these areas. With the increase in crime related to narcotics comes the threat of narco-corruption and its potentially nefarious effects on law enforcement, political, and business institutions. Adding to this challenge is the increasing threat in the region from organized street gangs.

In an effort to reinforce the anti-corruption program assistance and training we are providing to partner nations, the Administration is also making effective use of Section 212(f) of the Immigration and Nationality Act to revoke or refuse issuance of visas to foreign officials implicated in corruption. Recently two high-level politicians in Nicaragua fell under this section of the law as being ineligible for visas to the United States. The revocations sent a strong message to corrupt officials everywhere that such abuses of authority will not be tolerated.

As a result of these connections among drug and other crimes with instability, administration of justice and law enforcement reform

programs must, in most cases, be conducted in tandem with a strong counternarcotics and anti-corruption efforts.

Institution Building

The challenge is to develop criminal justice programs that respond to the threats faced by partner nations. We also coordinate with programs administered by WHA, USAID, and law enforcement agencies.

Oversight of INL's international police programs in Latin America and the Caribbean is provided by Narcotics Affairs Section (NAS) Officers, other Embassy officers in the field, and U.S. law enforcement agencies.

INL's assistance for law enforcement and other judicial sector officials varies significantly among the 30 countries with which we work in Latin America and the Caribbean. The focus is on developing already-established police forces. Factors such as geography, level of development, host nation capacity, political will, drug trafficking and criminal threat levels help to determine the type and level of assistance provided.

Historically, the majority of INL law enforcement assistance has been in the area of counternarcotics. In fact, in most countries, INL works very closely with DEA and other agencies in determining training needs for the counternarcotics police in general and in providing support to specialized units. In recent years, we have begun to also focus on other law enforcement and justice areas -- like counter-terrorism, money laundering, trafficking in persons, alien smuggling, and organized crime investigations -- needed to confront the gamut of transnational crimes.

Potential participants in all U.S. training programs are vetted at the local level and in Washington, through the databases of the appropriate agencies and offices in compliance with relevant laws and regulations. This vetting is designed to detect human rights violators and individuals who have engaged in narcotrafficking.

In the most cases, INL uses a "train the trainer" approach to give the recipient country the capacity to provide some of this training in the future using their own resources. This force multiplier concept has been very successful in countries like Bolivia and Colombia, where we have invested significant amounts of resources in training over the years.

Clearly, we face challenges training police in some countries in which low education levels, cronyism and nepotism, poor leadership, and corruption are pervasive. Most INL training programs include an anti-corruption component and instruction on respect for human and civil rights.

Evaluating police training programs in countries with limited infrastructure, like Haiti, or in countries with significant internal violence, like Colombia, is a long-term process. It has often taken a decade to assess the success of such training programs. Frequently, police training programs are delivered in hazardous environments to address urgent needs. Such programs are designed to be as efficient as possible under the circumstances. As circumstances evolve, so do the INL programs.

All U.S. trainers are subject-matter experts, and the majority are certified trainers within their own organizations. In addition to active duty law enforcement personnel, INL uses retired law enforcement personnel with significant experience working in the region and in conducting training. Due to the security environment of many countries, INL often turns to Department of Defense (DoD) for specialized training for elite counternarcotics units.

In Guatemala, for example, the U.S. Special Forces conduct annual training for the Guatemalan narcotics police in such skills as entry and exit training and small unit tactics. In Colombia, U.S. Special Forces teams of the Colombian National Police's elite "*Jungla*" CN assault forces, and the CNP's Rural Mobil *Carabinero* Squadrons that are featuring so prominently in President Uribe's ambitious Democratic Security program -- and particularly his successful effort to bring GOC forces into all of Colombia's 1098 municipalities for the first time ever. To date, DoD trainers have trained all three "*Jungla*" Airmobile Interdiction companies and some 43 *Carabinero* Rural Mobile Squadrons.

U.S. Law Enforcement Cooperation with Latin America

ILEA: INL actively encourages hemispheric nations to participate in sub-regional training as a way to promote cross-border law enforcement cooperation. It is also a way to achieve a multiplier effect for our investment. Several of our programs – such as in Bolivia and Guatemala – include personnel from other countries in their training centers. However,

our longstanding goal has been to create an International Law Enforcement Academy in Latin America, like those in Europe, Asia and Africa.

A U.S. interagency survey team has traveled to a number of countries that have expressed interest in hosting the new academy. The team has assessed potential sites based on the criteria used for the selection of other ILEA sites worldwide, and the interagency ILEA Policy Board will make a determination based on this assessment.

In parallel with the site selection process, we have continued to make progress in developing a training program for the new ILEA. INL and other departments that participate in the ILEA program conducted an inter-governmental curriculum development conference in March in Panama.

Organization of American States: INL is also working through multilateral organizations such as the Organization of American States and the United Nations. In this hemisphere, we have collaborated with the OAS's drug commission (CICAD) and its terrorism committee (CICTE), as well as the annual Meeting of Ministers of Justice (REMJA), to promote model legislation, minimum standards, and best practices in all facets of counternarcotics. These standards have helped countries throughout the region to strengthen their domestic capacities to fight crime and to work with neighbor states. Hemispheric evaluation systems for anti-drug and anti-corruption efforts bring peer pressure to bear on countries to fully support their hemispheric anti-drug and anti-corruption alliances. It is working.

For example, the Multilateral Evaluation Mechanism (MEM) for anti-drug performance has encouraged governments to advance in compliance with international conventions, to establish essential control regimes, to institute drug abuse prevention and treatment. All OAS member states are now party to the 1988 UN Drug Convention, almost all have national anti-drug strategies, and most now have control regimes for money laundering.

Through the OAS, we have strengthened collaboration among governments to attack and dismantle the major drug cartels through a unified strategy. The *Anti-Drug Strategy in the Americas*, reinforced by the Multilateral Evaluation Mechanism (MEM) has achieved policy "buy in" by the rest of the hemisphere to shared responsibility and accountability. Working multilaterally, INL has encouraged the adoption of higher legal standards and promoted standardized and coordinated approaches to combating

transnational threats such as money laundering and chemical diversion. There has also been a measurable expansion of drug abuse prevention and treatment throughout the region due to INL-funded OAS and UN efforts.

Bilateral Assistance Programs:

The Andean region is the source of virtually all of the world's cocaine. Ninety percent of the cocaine and about half the heroin entering the U.S. is either produced in or passes through Colombia. Therefore, we provide a comprehensive package of assistance including: eradication of illegal drug crops; alternative development; training and material support for stronger law enforcement and criminal justice institutions; interdiction support; education and training from human rights to anti-money laundering; border security; culture of lawfulness (school-based and police); and drug prevention and treatment.

Colombia:

The US anti-drug strategy in Colombia is -- through successful eradication and interdiction programs -- undermining the narcotics industry, while also methodically and decisively extending democracy and strengthening security throughout Colombia by building up the democratic institutions that provide security and justice.

INL law enforcement training in Colombia is extensive and includes training in counternarcotics, anti-money laundering, forensics, evidence handling, port security, contraband detection, organized crime, bomb detection, asset forfeiture, human rights, anti-corruption, light unit tactics, pilot and mechanics training, and advanced investigations to name a few.

Training for prosecutors and judges is often funded by INL and provided by USAID or the U.S. Department of Justice. In 2004, a total of 10,727 prosecutors, judges and criminal investigators received intensive training to help move Colombia into its new accusatory system. This more efficient and transparent system is expected to be operating nationwide by 2008.

To enhance the rule of law, our projects have assisted the Government of Colombia in establishing 37 Justice Houses (*Casas de Justicia* in Spanish), which provides access to justice for poor Colombians. Make no mistake: this is not a small victory or goal -- it is at the very heart, in our view, of

sustainable progress and U.S. support. So far, these *Casas de Justicia* have handled almost three million cases, easing the burden on the over-taxed judicial system. Remarkably, USG initiatives have also established 35 new Oral Trial courtrooms and trained over 10,000 lawyers, judges and public defenders in oral legal procedures -- similar to those in the U.S. -- which are designed to reduce impunity, provide transparency, and accelerate the traditionally snail-paced judicial process.

INL has helped to establish police units in 158 new municipalities, many of which had not seen any government presence in decades. For the first time in the Colombian history, there is now a federal presence in all 1,098 of Colombia's municipalities. This is an enormous step forward for the people of Colombia and their democratically-elected government.

Colombia also invests significant amounts of its own funding in training. The National Police maintains its own professional education system administered by the police's instructional division. The two principal professional schools for members of the National Police are the General Santander Police Cadet School and the Jiménez de Quesada Noncommissioned Officers School, both located in Bogotá. INL provides extensive technical assistance to the police instructional division, particularly in the priority area of counternarcotics. The National Police also operates seven smaller schools throughout the country. These schools offer a five-month basic training course for recruits as well as in-service training; and courses on subjects as diverse as Colombian history, human rights, counternarcotics, and riot control. INL offers specialized training in all of these schools as needed.

Two of the primary recipients of INL funded police training are the *Carabineros* and the *Junglas*, both of whom have played a key role in Colombia's counternarcotics success of recent years. The *Carabineros* are 150-man, mobile rural police squadrons that have been instrumental in establishing public security and a government presence in Colombia, while also ensuring security for our aerial spray program. The *Junglas* are jungle commando units made up of about 166 commandos. There are currently three *Junglas* airmobile interdiction companies operating.

We must continue to build on the success of the Andean Counternarcotics Initiative. In Colombia, President Uribe has aggressively taken on the fight against illegal drug production and the narco-traffickers. The U.S.-

supported spray program in Colombia has reduced coca cultivation by more than 30 percent since its historic peak three years ago. In 2004, Colombia's spray and manual eradication efforts resulted in the eradication of 135,000 hectares of coca and 3,000 hectares of heroin poppy. Increasing amounts of cocaine and heroin were seized. The number of murders and kidnappings sharply declined. Net production of cocaine continued to fall from 460 metric tons to 430 metric tons. Opium poppy production also continued to decline -- down fifty percent over the past three years.

Under President Uribe's leadership, and with our support, Colombia has made considerable progress in combating drug traffickers, terrorists and the narcoterrorist organizations: the FARC, AUC and ELN.

As a result, the momentum is shifting toward stability, the rule of law and democracy. Continued U.S. support is critical to ensure that this momentum continues.

Bolivia:

Counternarcotics progress in Bolivia is being jeopardized by increasing cultivation in the volatile Yungas region and by the increasing transshipment of Peruvian and Colombian cocaine. Moreover, we are very concerned about serious challenges to Bolivia's stability from radical opposition groups that threaten the country's hard-won gains in democracy, economic development and the fight against drug trafficking.

The U.S. Embassy's Narcotics Affairs Section (NAS) works with the Government of Bolivia in operating the Law Enforcement Development Program (LEDP) for Bolivia's National Police (BNP). This program was recently expanded to include the training of counternarcotics police and prosecutors. It is also the principal channel for the NAS's anti-corruption and police/prosecutorial reform activities. The program's long-term goal is to establish long-term institutional stability within the BNP and the Attorney General's office through a variety of means, with a special focus on training police and prosecutorial personnel. It will also support USG-sponsored training of BNP officials in modern investigative techniques that may help lead to successful terrorism-related prosecutions.

The Program focuses on administrative and organizational development, improvement of criminal investigative capabilities and development of

training resources and capabilities of both police and prosecutorial personnel. It has improved the quality of training programs provided through existing National Police entities, including comprehensive reform of the police education system.

The LEDP coordinates with United States Military Advisory Group and Drug Enforcement Agency (DEA) in the Embassy on training Bolivian security forces and with the United States Agency for International Development (USAID) regarding training for prosecutors. The LEDP training cycle starts with a basic course to create a common foundation for all actors (approximately 200 new police per year), then moves into more specialized treatment of topics tailored to the needs of the specific police or prosecutorial activity.

The *Garras del Valor* School is an academy for training counternarcotics police in such courses as: jungle survival skills, basic criminal investigation procedures, the Bolivian legal system, human rights, and advanced or refresher courses ranging from intelligence, information management to defensive driving and first aid skills. The *Garras* School also serves as a regional training center for counternarcotics police from other Latin American countries.

The Bolivian Navy Riverine unit -- the Blue Devil Task Force (BDTF) -- patrols the country's extensive river system to interdict drugs and drug processing precursor chemical trafficking. The BDTF also runs a riverine interdiction training school in Trinidad, Bolivia that is attended by students from other countries (most recently Panama).

Mexico:

Mexico is INL's second oldest program and remains one of its most important. It was primarily an eradication program until 1990 when a major air interdiction program was launched. After the Government of Mexico took over funding of its federal police aviation program in 1994, INL began to concentrate its resources on law enforcement training and institutional development. INL and our partner agencies focus on raising the standard of federal policing, along with the overall justice system.

Recognizing the need for progress toward longer-term reform goals, we shifted from traditional "cycles" of providing basic training year in and year

out to short-term, operations-focused training. The Mexican Attorney General's office (PGR) training facilities seek to ensure that the newly-acquired skills and expertise are "institutionalized" and become a regular aspect of every new agent's or prosecutor's formation. Themes of integrity and accountability, and respect for civil and human rights, are woven throughout U.S.-provided training.

While the NAS' Law Enforcement Training and Professionalization program is primarily in support of the PGR and its sub-agencies, it has begun to provide training for state and local law enforcement through the regional academies operated by the Mexican National System of Public Security (SNSP), helping to improve domestic training capacity

In addition, INL has funded training for Mexican law enforcement officials at many U.S. law enforcement academies such as the FBI Academy. INL provides training, technical assistance, and equipment for border security, including safety and rescue. The U.S. Department of Justice, with INL funds, provides training and technical assistance to specialized investigative units that target organized crime, narcotrafficking, and money laundering. INL organized or financed over 120 training courses to over 6,000 Mexican law enforcement personnel in 2004.

Mexico's Federal Investigations Agency (AFI) has proven to be a much more effective law enforcement institution than its predecessors, and is trusted by its U.S. counterparts. Working with Mexico's crime information center (CENAPI), AFI uses high-tech tools and analytical systems to work smarter against drug cartels, kidnapping rings, and other criminal organizations. The newly-established Mexican Office of the Special Prosecutor for Organized Crime (SIEDO) is beginning to make inroads against the drug cartels. In each of these cases, INL has assisted with major improvements in physical plant, equipment, training, and internal controls.

Political will has been the critical factor in the success of INL's program in Mexico. Important reform efforts were accelerated under Mexican President Fox. Seizing the opportunity, INL's field office began working more closely with strategic planners and others responsible for designing a better-functioning justice ministry. Extensive reforms of personnel systems, pay and benefit scales, and institution of checks and balances within law enforcement and justice institutions allowed the Fox Administration to avoid some of the mistakes of previous governments. U.S. technical assistance

helped the PGR to raise minimum standards for investigators and police, establish more objective selection criteria, initiate background checks, create a civil service system with merit-based promotions, and to modernize training -- making it more relevant to field personnel.

In Mexico, INL supported an innovative school-based crime prevention and rule of law program called the “Culture of Lawfulness.” This program, sponsored by the US-based National Strategy Information Center, has been very successful in de-glamorizing gang membership and drug use and promoting respect for law. The Government of Mexico plans to extend it nationwide.

Guatemala:

INL funds established the Regional Anti-Narcotics Training Center that primarily trains Guatemalans, but has also included students from 12 other Central and South American countries. Training includes a “boot camp” for the anti-narcotics police. This school is especially proficient in training narcotics and explosives detection dogs and their handlers. In 2004, INL took over the management of a model community policing project in Villanueva, Guatemala, a small city facing many challenges, including a serious youth gang problem.

The NAS has a resident DHS Customs Advisor who provides both basic and advanced contraband detection training to Guatemalan law enforcement officials. The advisor also provides this training in the other Central American countries. This training greatly improves the capacity of law enforcement to detect narcotics, illegal arms, and illegal aliens.

INL has invested significant funding for Guatemala over the last three years to provide anti-money laundering training. The U.S. Treasury Department has been one of the primary providers of this training, which was instrumental in convincing Guatemala to pass modern money laundering legislation and be removed from the Financial Action Task Force (FATF) list of non-complying countries for money laundering.

Honduras:

INL and WHA are partnering INCLE and ESF funding to implement a comprehensive criminal justice assistance program. A law enforcement

development advisor works with the Ministry of Public Security's Frontier Police, and the project focuses on field training for this group of officers with authority for counternarcotics and border control operations. During the first year of operation, drug seizures in Honduras skyrocketed, with the Government seizing about six metric tons of cocaine - more than the previous five years combined. This year, the advisor will emphasize training in investigating high-level narcotics and money laundering cases.

Jamaica:

This is another example of INL-WHA partnership. ESF funding is used to support a Law Enforcement Development advisor who works with the Jamaican Police Commissioner on restructuring the Jamaica Constabulary Force. The advisor also coordinates with other donors on their police reform/ modernization efforts, including the United Kingdom's police modernization project and USAID's community policing project. INL funds bring in professional U.S. trainers and provide specialized equipment.

Haiti:

In Haiti, INL is deeply involved in a broad-based international effort to build a criminal justice system from the ground up. All three pillars of the criminal justice system (police, judicial sector, and prisons) are in desperate need of reconstruction. Our partners in this international effort include the United Nations (MINUSTAH military and civilian police), the OAS, and USAID.

INL-provided civilian police are a key element of the UN CIVPOL program at work in Port-au-Prince, Cap Haitien, and elsewhere to train and re-build the Haitian National Police. Our Police Advisory Group, which is attached to our embassy in Port-au-Prince, is designing and implementing programs to recruit, train, and field new classes of Haitian National Police (HNP). An OAS vetting team screens new HNP recruits through written and oral exams. Our Police Advisory Group will also focus on helping the HNP and relevant ministries to create accountability measures.

INL and USAID last year developed an overall strategy for justice sector reform and are working together to move forward in this difficult task. USAID is leading a justice reform program aimed at developing a functioning judiciary that includes prosecutors and judges. It would be

difficult to overstate the challenges that this reform effort faces. INL's programs complement USAID's program.

Cross-Cutting Efforts

Because many international criminal threats are transnational in nature, we have organized our responses -- training and programs -- to respond transnationally as well. This enables us to promote consistent messages around the world, as well as to encourage governments to develop common policy and legislative frameworks for combating these shared threats. A few examples include: anti-corruption and transparency, money laundering and financial crime, and human smuggling.

Anti-Corruption and Transparency

Early in his Administration, President Bush identified the fight against corruption as a key foreign policy objective. In support of this objective, INL provided political and financial support for UN negotiations to establish the first global convention against corruption. That convention was concluded in 2003 and has been signed by 123 countries including the United States and most of the countries in this hemisphere. INL also provided assistance and experts to help more than 60 countries implement anticorruption commitments through mechanisms within the OAS, Council of Europe, Stability Pact and others. As part of a long-term process to help build popular support against corruption among the next generation, INL has supported the expansion of the Culture of Lawfulness education program to promote rule of law, combat corruption and crime.

Money Laundering

International drug traffickers are closely linked to transnational organized crime groups engaged in a broad range of illegal activities that threaten U.S. interests, including trafficking and smuggling of persons and contraband, money laundering, intellectual property rights (IPR) theft, and trafficking in small arms.

An estimated \$750 billion in profits from these and other forms of organized crime are laundered worldwide annually. Consider the corrupting and distorting impact on national and international economies and financial sectors of this level of money laundering.

Fighting financial crime, criminal or terrorist, is a complicated and sophisticated undertaking. Even when the newly-created financial intelligence units that we have helped to establish around the Hemisphere uncover evidence of financial crimes, some justice systems are currently capable of prosecuting them successfully.

Some countries have outdated laws, systems that inhibit information sharing between bank regulators and prosecutors, and courts that are not prepared to handle these kinds of cases.

Therefore, institution building in this critical area involves working, at a minimum, with legislators and treasury officials to establish laws and regulations, with regulators and financial intelligence units to be able to detect suspicious transactions, with prosecutors and judges to prepare and adjudicate such cases.

We work very closely with the Financial Action Task Force (“FATF”) – and its two sub-regional task forces here in this hemisphere – and with the OAS’ CICAD unit. The task forces have developed international “best practices” and also conduct intensive evaluations of national control systems.

CICAD’s Money Laundering Experts Group has taken the international standard established in the 1988 Convention as well as the FATF recommendations and developed model legislation used by countries throughout the hemisphere as a template for modernized legislation. INL, the Inter-American Development Bank and other assistance donors have also provided funding to CICAD and the UN Crime and Drug Office (UNODC) to help establish financial intelligence units and conduct training for government officials, judges and legislators.

Human Smuggling and Trafficking and Terrorist Travel

INL works with other agencies and international partners to combat illegal movements of people and generally improve border and travel security. In keeping with 9/11 Commission recommendations, the Departments of State, Justice and Homeland Security, together with Intelligence Community agencies, have designed the U.S. interagency Human Smuggling and Trafficking Center (HSTC) to improve cooperation across intelligence, law enforcement and diplomatic lines in combating three interrelated criminal

activities:

- terrorist travel facilitation (through false documents, communications, safe houses, clandestine routes, etc.);
- human smuggling (deriving huge profits for its perpetrators); and
- trafficking in persons (for exploitation)

These crimes are global, but the United States often is most heavily affected by criminal organizations operating in Western Hemisphere countries. INL works with the State Department Office to Monitor and Combat Trafficking in Persons to provide assistance to governments and other international partners to thwart this activity.

Conclusion

INL counternarcotics and law enforcement assistance efforts focus on reducing the cultivation, production, and transshipment of dangerous drugs to the United States; working with other countries and international organizations to reduce the influence of drugs in other countries; developing programs to help nations track and prevent money laundering and terrorist financing; assisting other nations in reducing demand for drugs; and promoting development of justice sector institutions and support for the rule of law.

As a result of the President's firm commitment to battling the international drug trade and advancing rule of law around the world -- buttressed by unwavering Congressional support -- we have made substantial progress. However, drug trafficking, international organized crime and corruption present a continuing challenge to freedom, security and stability.

By thinking longer-term, concentrating on strengthening criminal justice institutions, building rule of law and promoting regional cooperation against shared threats, we are seeing positive results, and an improved security, as well as a greater "return" on the U.S. foreign assistance "investment."

I appreciate your interest and attention, and welcome any questions you wish to ask.